

NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

Bill Richardson
Governor
Joanna Prukop
Cabinet Secretary

Lori Wrotenbery
Director
Oil Conservation Division

COMMINGLING ORDER PC-517-A

ChevronTexaco Exploration & Production Inc. 15 Smith Road Midland, Texas 79705

Attention: Ms. Carolyn J. Haynie

LEASE:

H. T. Mattern NCT-C Lease

DESCRIPTION:

N/2 S/2, S/2 NW/4, and NE/4 of Section 18; S/2 SE/4 of Section 7; W/2

SW/4 and S/2 NW/4 of Section 8, all in Township 21 South, Range 37

East, NMPM, Lea County, New Mexico

The above-named company is hereby authorized to commingle commonly owned Drinkard (Oil - 19190), Wantz-Abo (Oil - 62700), Penrose Skelly (Oil - 50350) and Blinebry Oil and Gas (Oil - 06660) Pool production from the above-mentioned lease and to determine production from each well/pool by monthly well tests.

NOTE: This installation shall be installed and operated in accordance with the applicable provisions of Rule 303 of the Division Rules and Regulations and the Division "Manual for the Installation and Operation of Commingling Facilities." It is the responsibility of the producer to notify the transporter of this commingling authority.

REMARKS: The commingled production shall be stored at the H. T. Mattern NCT-C Tank Battery located in Unit I of Section 18, Township 21 South, Range 37 East, NMPM, Lea County, New Mexico.

FURTHER: The operator shall notify the Hobbs District Office of the Division upon implementation of commingling operations.

DONE at Santa Fe, New Mexico, on this 22nd day of January 2003.

LORI WROTENBERY,

Division Director

LW/DRC

cc: Oil Conservation Division- Hobbs